

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0477-01  
Bill No.: HB 76  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
Department  
Type: Original  
Date: February 25, 2013

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Bill Summary: This proposal modifies provisions relating to penalties for failure to meet Missouri School Improvement Program (MSIP) standards in fiscal years in which schools are underfunded.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>\$0 or Unknown - Could exceed \$100,000</b>	<b>\$0 or Unknown - Could exceed \$100,000</b>	<b>\$0 or Unknown - Could exceed \$100,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state there is no cost to the state or local school districts as a result of this proposal. DESE assumes the proposal may result in a savings at the local level; however, any amount would be unknown.

**Oversight** assumes savings could either be \$0 for no school districts being assessed a penalty in the first place to Unknown for savings to school districts for not having a penalty assessed under certain situations for not meeting certain Missouri School Improvement Programs standards.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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### **LOCAL POLITICAL SUBDIVISIONS**

<u>Savings - Local School Districts -</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Removal of penalty assessments	- Could exceed	- Could exceed	- Could exceed
	<u><b>\$100,000</b></u>	<u><b>\$100,000</b></u>	<u><b>\$100,000</b></u>

<b>ESTIMATED NET EFFECT ON</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>
<b>LOCAL POLITICAL SUBDIVISIONS</b>	<b>- Could exceed</b>	<b>- Could exceed</b>	<b>- Could exceed</b>
	<u><b>\$100,000</b></u>	<u><b>\$100,000</b></u>	<u><b>\$100,000</b></u>

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

Currently, if the school funding formula is underfunded or the transportation appropriation is less than 75% of allowable costs in Fiscal Years 2011, 2012, or 2013, a school district cannot be penalized for failing to meet its accreditation resource standards under the Missouri School Improvement Program. This bill removes the limitation to specific fiscal years and applies this provision to any fiscal year in which the formula or transportation categorical is underfunded.

Similarly, if the Governor withholds funds for the school funding formula basic apportionment in any fiscal year, a school cannot be penalized in the following fiscal year for failing to meet resource standards under the program. Currently, this provision only applies in Fiscal Years 2011, 2012, and 2013.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Elementary and Secondary Education



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